

Amendments to Senate Bill No. 239
1st Reading Copy

Requested by Senator Bruce Tutvedt

For the Senate Taxation Committee

Prepared by Jaret Coles
February 15, 2013 (8:31am)

1. Title, page 1, line 7 through line 8.

Strike: "ADDING" on line 7 through "PLAN;" on line 8

2. Title, page 1, line 8.

Following: "PLAN;"

Insert: "PROVIDING THAT ANY PORTION OF THE INCREMENT REMITTED TO
A TAXING BODY IS TREATED AS BUDGETED AD VALOREM TAXES;"

3. Title, page 1, line 10.

Following: "7-15-4284,"

Insert: "7-15-4285,"

Following: "7-15-4286,"

Insert: "7-15-4287,"

Following: "7-15-4288,"

Insert: "7-15-4289,"

Following: "7-15-4290,"

Insert: "7-15-4291,"

4. Title, page 1, line 11.

Following: "7-15-4304,"

Insert: "7-15-4305, 7-15-4306, 7-15-4322,"

5. Page 1, line 21.

Strike: "municipalities"

Insert: "local governments"

6. Page 1, line 23.

Strike: "municipalities"

Insert: "local governments"

7. Page 2, line 1.

Strike: "municipality"

Insert: "local government"

8. Page 2, line 13.

Strike: "municipality"

Insert: "local governments"

9. Page 2, line 15.

Strike: "municipality"
Insert: "local government"

10. Page 2, line 16.

Strike: "municipality"
Insert: "local government"

11. Page 2, line 20.

Following: "(a) ""
Insert: "secondary"

12. Page 2, line 23.

Following: "(b) ""
Insert: "secondary"
Following: "produces"
Insert: "secondary"

13. Page 2, line 28.

Strike: "urban renewal area and"

14. Page 2, line 29.

Strike: "municipality"
Insert: "local government"

15. Page 3, line 1.

Strike: "municipality"
Insert: "local government"

16. Page 3, line 3.

Strike: "municipality"
Insert: "local government"

17. Page 3, line 13.

Strike: "municipal"
Insert: "local government"

18. Page 4, line 16.

Strike: "Municipality"
Insert: "Local government"

19. Page 5, line 7.

Strike: "municipality"
Insert: "local government"

20. Page 5, line 13.

Following: line 12
Insert: "Section 8. Section 7-15-4285, MCA, is amended to read:
"7-15-4285. Determination and report of original, actual,
and incremental taxable values. The department of revenue shall,

upon receipt of a qualified tax increment provision and each succeeding year, calculate and report to the ~~municipality~~ local government and to any other affected taxing body in accordance with Title 15, chapter 10, part 2, the base, actual, and incremental taxable values of the property."

{ Internal References to 7-15-4285:

7-15-4282 *X	7-15-4283 *x	7-15-4283 *x	7-15-4283 * x
7-15-4283 *x	7-15-4283 *x	7-15-4286 *x	7-15-4295 r
7-15-4296 *r	7-15-4299 *r	7-15-4301 *a	7-15-4324 *a }

Renumber: subsequent sections

21. Page 5, line 25.

Strike: "municipality"

Insert: "local government"

22. Page 5, line 28.

Insert: "Section 10. Section 7-15-4287, MCA, is amended to read:

"7-15-4287. Provision for use of portion of tax increment.

(1) At the time of adoption of a tax increment provision or at any time subsequent thereto, the governing body of the ~~municipality~~ local government may provide that a portion of the tax increment from the incremental taxable value ~~shall~~ be released from segregation by an adjustment of the base taxable value, provided that:

(a) all principal and interest then due on bonds for which the tax increment has been pledged ~~has~~ have been fully paid; and

(b) the tax increment resulting from the smaller incremental value is determined by the governing body to be sufficient to pay all principal and interest due later on the bonds.

(2) The adjusted base value determined under subsection (1) ~~shall~~ must be reported by the clerk to the officers and taxing bodies to which the increment provision is reported.

(3) Thereafter, the adjusted base value is used in determining the mill rates of affected taxing bodies unless the tax increment resulting from the adjustment is determined to be insufficient for this purpose. In this case, the governing body ~~must~~ shall reduce the base value to the amount originally determined or to a higher amount necessary to provide tax increments sufficient to pay all principal and interest due on the bonds."

{ Internal References to 7-15-4287:

7-15-4282 *x	7-15-4283 *x	7-15-4283 *x	7-15-4283 *x
7-15-4283 *x	7-15-4283 x	7-15-4283 *x	7-15-4286 *x
7-15-4295 *r	7-15-4296 * r	7-15-4299 *r	7-15-4301 *a
7-15-4324 *a	15-10-420x }		

Renumber: subsequent sections

23. Page 6, line 1.

Strike: "municipality"

Insert: "local government"

24. Page 6, line 22.

Strike: "municipality"

Insert: "local government"

25. Page 7, line 3.

Following: "to"

Insert: "secondary"

26. Page 7, line 7.

Following: line 6

Insert: "Section 12. Section 7-15-4289, MCA, is amended to read:

"7-15-4289. Use of tax increments for bond payments. The tax increment may be pledged to the payment of the principal of premiums, if any, and interest on bonds ~~which that~~ the ~~municipality~~ local government may issue for the purpose of providing funds to pay ~~such~~ those costs."

{ Internal References to 7-15-4289:

7-15-4282 *x	7-15-4283 *x	7-15-4283 * x	7-15-4283 *x
7-15-4283 *x	7-15-4283 * x	7-15-4286 * x	7-15-4290 x
7-15-4290 x	7-15-4290 x	7-15-4290 x	7-15-4291 x
7-15-4295 * r	7-15-4296 * r	7-15-4299 *r	7-15-4301 *x
7-15-4324 *x }"			

Renumber: subsequent sections

27. Page 7, line 24.

Strike: "municipality"

Insert: "local government"

28. Page 7, line 27.

Strike: "municipality"

Insert: "local government"

29. Page 7, line 30.

Strike: "municipality"

Insert: "local government"

30. Page 8, line 2.

Strike: "municipality"

Insert: "local government"

31. Page 8, line 5.

Following: line 4

Insert: "Section 14. Section 7-15-4291, MCA, is amended to read:

"7-15-4291. Agreements to remit unused portion of tax increments. (1) The ~~municipality~~ local government may also enter into agreements with the other affected taxing bodies to remit to ~~such those~~ taxing bodies any portion of the annual tax increment not currently required for the payment of the costs listed in 7-15-4288 or pledged to the payment of the principal of premiums,

if any, and interest on the bonds referred to in 7-15-4289.

(2) Any portion of the increment remitted to a taxing body must be used to reduce ad valorem taxes by the taxing body receiving the remittance and may not reduce the future levy authority of the taxing body receiving the remittance. This subsection applies to all tax increment financing districts created after December 31, 1979."

{Internal References to 7-15-4291:

7-15-4282 *x	7-15-4283 *x	7-15-4283 *x	7-15-4283 * x
7-15-4283 *x	7-15-4283 *x	7-15-4286 *x	7-15-4295 *r
7-15-4296 *r	7-15-4299 *r	7-15-4301 *x	7-15-4324 *x }"

Renumber: subsequent sections

32. Page 8, line 16.

Strike: "municipality"

Insert: "local government"

33. Page 8, line 19.

Following: "project"

Insert: "or targeted economic development district project"

Strike: "municipality"

Insert: "local government"

34. Page 8, line 24.

Following: "plan"

Insert: "or targeted economic development district comprehensive development plan"

35. Page 9, line 11.

Strike: "local governing body"

36. Page 9, line 12.

Following: "~~municipality~~"

Insert: "local government"

37. Page 9, line 16.

Strike: "municipality"

Insert: "local government"

38. Page 9, line 18.

Strike: "municipality"

Insert: "local government"

39. Page 10, line 6.

Strike: "municipality"

Insert: "local government"

40. Page 10, line 27.

Strike: "municipality"

Insert: "local government"

41. Page 11, line 3.
Strike: "municipality"
Insert: "local government"

42. Page 11, line 4.
Strike: "municipality's"
Insert: "local government's"

43. Page 11, line 10.
Following: "A"
Insert: "local government or"

44. Page 11, line 17.
Following: "credit of the"
Insert: "local government or"

45. Page 11, line 19.
Following: "of the"
Insert: "local government or"

46. Page 11, line 22.
Following: "by the"
Insert: "local government or"

47. Page 11, line 24.
Following: "funds of the"
Insert: "local government or"
Following: "revenue of the"
Insert: "local government or"

48. Page 11, line 28.
Following: "projects of the"
Insert: "local government or"

49. Page 12, line 2.
Following: "body of the"
Insert: "local government or"

50. Page 12, line 10.
Following: "the"
Insert: "local government or"

51. Page 12, line 14.
Following: "bonds by the"
Insert: "local government or"

52. Page 12, line 20.
Following: "upon the"

Insert: "local government or"

53. Page 12, line 24.

Following: "applicable, the"

Insert: "local government or"

54. Page 13, line 1.

Following: "issued by the"

Insert: "local government or"

55. Page 13, line 7.

Insert: "Section 21. Section 7-15-4305, MCA, is amended to read:

"7-15-4305. Validity and sufficiency of signatures on bonds. In case any of the public officials of the local government or municipality whose signatures appear on any bonds or coupons issued under ~~this part and part 42 shall and this part~~ cease to be ~~such~~ officials before the delivery of ~~such the~~ bonds, ~~such their~~ signatures ~~shall, nevertheless, be remain~~ valid and sufficient for all purposes the same as if ~~such the~~ officials had remained in office until ~~such~~ delivery of the bonds."

{Internal References to 7-15-4305: None.x}"

Insert: "Section 22. Section 7-15-4306, MCA, is amended to read:

"7-15-4306. Bonds as legal investments. (1) All banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking or investment business~~7~~, all insurance companies, insurance associations, and other persons carrying on an insurance business~~7~~, and all executors, administrators, curators, trustees, and other fiduciaries may legally invest any sinking funds, money, or other funds belonging to them or within their control in any bonds or other obligations issued by a local government or municipality pursuant to ~~this part and part 42 and this part~~, provided that ~~such the~~ bonds and other obligations ~~shall must~~ be secured by an agreement between the issuer and the federal government in which the issuer agrees to borrow from the federal government and the federal government agrees to lend to the issuer, prior to the maturity of ~~such~~ bonds or other obligations, money in an amount ~~which that,~~ ~~(together with any other money~~ irrevocably committed to the payment of interest on ~~such the~~ bonds or other obligations~~7~~, will suffice to pay the principal of ~~such the~~ bonds or other obligations with interest to maturity ~~thereon, which on the bonds.~~ The money under the terms of ~~said the~~ agreement is required to be used for the purpose of paying the principal of and the interest on ~~such the~~ bonds or other obligations at their maturity.

(2) ~~Such~~ The bonds and other obligations ~~shall must~~ be authorized security for all public deposits. It is the purpose of this section to authorize any persons, political subdivisions, and officers, public or private, to use any funds owned or

controlled by them for the purchase of ~~any such~~ the bonds or other obligations.

(3) Nothing contained in this section with regard to legal investments ~~shall~~ may be construed as relieving any person of any duty of exercising reasonable care in selecting securities."

{Internal References to 7-15-4306: None.x}"

Insert: "Section 23. Section 7-15-4322, MCA, is amended to read:

"7-15-4322. Details relating to urban renewal bonds. (1)

Bonds issued under 7-15-4301 may be issued in one or more series and must bear a date or dates, be payable upon demand or mature at a time or times, bear interest as provided in 17-5-102, be in denomination or denominations, be in ~~form~~ (either coupon or registered) form, carry conversion or registration privileges, have rank or priority, be executed in a manner, be payable in a medium of payment at a place or places, be subject to terms of redemption (with or without premium), be secured in a manner, and have other characteristics as may be provided by the resolution, ordinance, or trust indenture or a mortgage authorized pursuant to the resolution, ordinance, or trust indenture.

(2) (a) The bonds may be sold at not less than 97% of par, at public or private sale, or may be exchanged for other bonds on the basis of par.

(b) The bonds may be sold to the federal government at private sale at not less than par, and if less than all of the authorized principal amount of the bonds is sold to the federal government, the balance may be sold, at public or private sale, at not less than 97% of par at an interest cost to the local government or municipality of not to exceed the interest cost of the portion of the bonds sold to the federal government."

{Internal References to 7-15-4322: None.x}"

Renumber: subsequent sections

56. Page 13, line 19.

Following: "issued, the"

Insert: "local government or"

57. Page 13, line 24.

Following: "districts."

Insert: "(1)"

58. Page 13, line 27.

Following: "except that the"

Insert: "local government or"

59. Page 14, line 3.

Following: line 2

Insert: "(2) Technology districts, aerospace transportation and technology districts, and industrial districts established under Title 7, chapter 15, part 42, that were initiated prior to [the effective date of this act] may continue to

operate and issue bonds under the laws governing the districts and financial operations of the districts as those laws read on December 31, 2012. A technology district, aerospace transportation and technology district, or industrial district is considered initiated if the local governing body has adopted an ordinance for a district and has held a public hearing for creation of the district.

(3) For operation of existing technology districts, aerospace transportation and technology districts, and industrial districts established under Title 7, chapter 15, part 42, that were initiated prior to [the effective date of this act], any portion of the increment remitted to a taxing body under 7-15-4291 must be used to reduce ad valorem taxes by the taxing body receiving the remittance and may not reduce the future levy authority."

- END -